

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)		
PLAINTIFFS CHRISTOPHER R. BARCLAY, Chapter 7 Trustee	DEFENDANTS LEIDOS, INC.,			
ATTORNEYS (Firm Name, Address, and Telephone No.) FINLAYSON TOFFER ROOSEVELT & LILLY LLP 15615 Alton Parkway, Suite 250, Irvine, California 92618 Telephone (949) 759-3810 Fax (949) 759-3812	ATTORNEYS (If Known)			
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input checked="" type="checkbox"/> Other <input type="checkbox"/> Trustee			
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Plaintiff alleges the following claims for relief: 1) Avoid and Recover Fraudulent Transfers pursuant to §§ 548 and 550 of the Bankruptcy Code; 2) Avoid and Recover Fraudulent Transfers in the event that Defendant asserts that one or more transfers was not made on account of an antecedent debt pursuant to §§ 548 and 550 of the Bankruptcy Code; and 3) Disallowance of Defendant's Proof of Claim pursuant to §§ 547 and/or 548 of the Bankruptcy Code.				
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)				
<table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top; width: 50%;"> <input type="checkbox"/> FRBP 7001(1) – Recovery of Money/Property 11 - Recovery of money/property - § 542 turnover of property <input checked="" type="checkbox"/> 12 - Recovery of money/property - § 547 preference <input checked="" type="checkbox"/> 13 - Recovery of money/property - § 548 fraudulent transfer <input type="checkbox"/> 14 - Recovery of money/property - other <input type="checkbox"/> FRBP 7001(2) – Validity, Priority or Extent of Lien 21 - Validity, priority or extent of lien or other interest in property <input type="checkbox"/> FRBP 7001(3) – Approval of Sale of Property 31 - Approval of sale of property of estate and of co-owner - § 363(h) <input type="checkbox"/> FRBP 7001(4) – Objection/Revocation of Discharge 41 - Objection / revocation of discharge - § 727(c),(d),(e) <input type="checkbox"/> FRBP 7001(5) – Revocation of Confirmation 51 - Revocation of confirmation <input type="checkbox"/> FRBP 7001(6) – Dischargeability 66 - Dischargeability - § 523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62 - Dischargeability - § 523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67 - Dischargeability - § 523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column) </td> <td style="vertical-align: top; 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<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23			
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ 43,177.40 (at least)			
Other Relief Sought Any Claims be disallowed until the transfers are repaid to the Trustee under § 502(d) of the Bankruptcy Code; and that the Court award prejudgment interest at the maximum legal rate from the earliest date allowed by law under 28 U.S.C. § 1961				

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR Sullivan International Group, Inc.		BANKRUPTCY CASE NO. 15-02281-LT7
DISTRICT IN WHICH CASE IS PENDING Southern District of California	DIVISIONAL OFFICE	NAME OF JUDGE Hon. Laura S. Taylor
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISIONAL OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) /s/ Jesse S. Finlayson		
DATE March 30, 2017	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Jesse S. Finlayson	

INSTRUCTIONS

The filing of a bankruptcy case creates an “estate” under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor’s discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court’s Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff’s attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and the defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and in the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

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Attorneys for Christopher R. Barclay,
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re

SULLIVAN INTERNATIONAL
GROUP, INC.,

Debtor.

CHRISTOPHER R. BARCLAY,
chapter 7 trustee,

Plaintiff,

v.

LEIDOS, INC.,

Defendant.

Case No. 15-02281-LT7

Chapter 7

Adv. Proc. No.

**COMPLAINT TO AVOID AND
RECOVER PREFERENTIAL
AND/OR FRAUDULENT
TRANSFERS**

1 Plaintiff Christopher R. Barclay (the "Trustee"), the chapter 7 trustee for the
2 bankruptcy estate of Sullivan International Group, Inc. (the "Debtor"), files this
3 Complaint against Defendant Leidos, Inc. ("Defendant"), and alleges as follows:

4 **JURISDICTION AND VENUE**

5 1. This Court has subject matter jurisdiction over this adversary proceeding
6 pursuant to 28 U.S.C. § 1334(b).

7 2. This adversary proceeding is a core proceeding under 28 U.S.C.
8 § 157(b)(2)(A), (F), and (H).

9 3. This adversary proceeding arises under title 11 of the United States Code
10 (the "Bankruptcy Code") and arises in a case under the Bankruptcy Code pending
11 before this Court.

12 4. Venue of this adversary proceeding is properly before this Court pursuant
13 to 28 U.S.C. § 1409(a).

14 5. This Complaint initiates an adversary proceeding within the meaning of
15 Federal Rule of Bankruptcy Procedure 7001.

16 6. Pursuant to Local Bankruptcy Rule 7008-1, the Trustee consents to entry
17 of final orders or judgment by the bankruptcy judge if any matters are determined to
18 be core.

19 **PROCEDURAL BACKGROUND AND PARTIES**

20 7. On April 6, 2015 (the "Petition Date"), the Debtor commenced a case
21 under chapter 11 of the Bankruptcy Code with this Court. On September 11, 2015, the
22 Bankruptcy Court entered an order converting the Debtor's case from chapter 11 to
23 chapter 7.

24 8. The Trustee is the duly authorized representative of the Debtor's
25 bankruptcy estate pursuant to section 704 of the Bankruptcy Code.

26 9. The Trustee is informed and believes, and on that basis alleges, that the
27 Debtor is a corporation organized and existing under the laws of the State of
28 California, with its principal place of business located in San Diego, California.

10. Defendant is an individual, corporation, or other legal entity who sold goods to, or performed services for, the Debtor prior to the Petition Date.

THE TRANSFERS

11. On or within 90 days prior to the Petition Date (the "Preference Period"), the Debtor made one or more transfers to or for the benefit of Defendant, as set forth on Exhibit "A" annexed hereto.

12. Exhibit "A" reflects the Trustee's present knowledge of the transfers made to the Defendant by the Debtor during the Preference Period. During the course of this adversary proceeding the Trustee may learn (through discovery or otherwise) of additional transfers made by the Debtor to the Defendant during the Preference Period. The Trustee is seeking to avoid and recover all such transfers, whether such transfers presently are reflected on Exhibit "A" or not. Collectively, all transfers made by the Debtor of an interest of the Debtor in property to or for the benefit of Defendant during the Preference Period (whether such transfers presently are reflected on Exhibit "A" hereto or not) are referred to herein as the "Transfers."

FIRST CLAIM FOR RELIEF

(Avoid and Recover Fraudulent Transfers from the Defendant)

13. The Trustee incorporates by reference the allegations of paragraphs 1 through 12, inclusive, as if fully set forth herein.

14. The Transfers were made within 90 days prior to the Petition Date.

15. The Transfers were transfers of an interest of the Debtor in property.

16. The Transfers were made to or for the benefit of Defendant, a creditor of the Debtor.

17. The Transfers were made for or on account of antecedent debts owed to Defendant by the Debtor before such Transfers were made.

18. The Transfers were made while the Debtor was insolvent.

19. The Transfers enabled Defendant to receive more than Defendant would receive if: (a) the Debtor's bankruptcy were a case under chapter 7 of the Bankruptcy

1 Code; (b) the Transfers had not been made; and (c) Defendant received payment on
2 account of the debt paid by the Transfers to the extent provided by the provisions of
3 the Bankruptcy Code.

4 20. The Transfers constitute preferential transfers which should be avoided as
5 preferences pursuant to section 547 of the Bankruptcy Code and are recoverable from
6 Defendant pursuant to section 550 of the Bankruptcy Code.

7 **SECOND CLAIM FOR RELIEF**

8 **(Avoid and Recover Fraudulent Transfers from the Defendant)**

9 21. The Trustee incorporates by reference the allegations of paragraphs 1
10 through 20, inclusive, as if fully set forth herein. The Trustee brings this Second
11 Claim for Relief in the event that Defendant asserts that one or more of the Transfers
12 was not made on account of an antecedent debt of the Debtor.

13 22. The Transfers constitute transfers of an interest of the Debtor in property.

14 23. The Debtor made the Transfers to Defendant with the actual intent to
15 hinder, delay, or defraud one or more of his creditors.

16 24. The Debtor received less than a reasonably equivalent value in exchange
17 for the Transfers.

18 25. The Debtor was (a) insolvent at the time of the Transfers, or became
19 insolvent as a result of the Transfers, or (b) intended to incur or believed that it would
20 incur debts that would be beyond its ability to pay as such debts matured at the time of
21 the Transfers.

22 26. The Transfers constitute fraudulent transfers which should be avoided
23 pursuant to section 548 of the Bankruptcy Code and are recoverable from Defendant
24 pursuant to section 550 of the Bankruptcy Code.

25 **THIRD CLAIM FOR RELIEF**

26 **(Disallowance of Defendant's Proof of Claim)**

27 27. The Trustee incorporates by reference the allegations of paragraphs 1
28 through 26, inclusive, as if fully set forth herein.

28. Defendant is an entity from which property is recoverable under section 550 of the Bankruptcy Code and is a transferee of transfers avoidable under sections 547 and/or 548 of the Bankruptcy Code.

29. Defendant has not paid the amount, or turned over such property, for which Defendant is liable under section 550 of the Bankruptcy Code.

30. To the extent that Defendant currently possesses filed claims against the Debtor, whether pre-petition or administrative (collectively, the "Claims"), the Claims should be disallowed until the Transfers are repaid in full to the Trustee pursuant to section 502(d) of the Bankruptcy Code.

REQUEST FOR JUDGMENT

The Trustee prays for judgment as follows:

A. That the Transfers be avoided;

B. That judgment be entered in favor of the Trustee and against the Defendant, in an amount at least \$43,177.40 (plus such additional transfer amounts that the Trustee learns, through discovery or otherwise, were made by the Debtor to the Defendant during the Preference Period), plus interest at the legal rate from the date of the Transfers;

C. Pre-judgment interest at the maximum legal rate from the earliest date allowed by law until the date of judgment, and post-judgment interest, at the maximum legal rate pursuant to 28 U.S.C. § 1961, together with all costs of this action;

D. That any Claims be disallowed until the Transfers are repaid to the Trustee pursuant to 502(d) of the Bankruptcy Code; and

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1 E. That the Trustee be granted such other and further relief as is just and
2 proper.

3
4 DATED: March 30, 2017

FINLAYSON TOFFER
ROOSEVELT & LILLY LLP

5
6 By: /s/ Jesse S. Finlayson
Jesse S. Finlayson

7
8 Attorneys for Christopher R. Barclay,
Chapter 7 Trustee

Case Title: Christopher Barclay, Chapter 7 Trustee v. Leidos, Inc.
In re: Sullivan International Group, Inc.
Bankruptcy Case No.: 15-02281-LT11

EXHIBIT A to COMPLAINT

	Date	Check No.	Amount
1.	2/2/2015	33060	\$43,177.40
TOTAL PAYMENT			\$43,177.40